

HOUSE BILL REPORT

HB 2082

As Reported by House Committee On:

Higher Education

Appropriations

Title: An act relating to establishing the field of dreams program.

Brief Description: Establishing the field of dreams program.

Sponsors: Representatives Chandler, Wallace, Grant, Buri, Miloscia, Kretz and Newhouse.

Brief History:

Committee Activity:

Higher Education: 2/15/07, 2/21/07 [DPS];

Appropriations: 3/9/07, 3/10/07 [DP2S(w/o sub HE)].

Brief Summary of Second Substitute Bill

- Creates the Field of Dreams program, providing college tuition in the form of Guaranteed Education Tuition units to students working for agricultural employers.

HOUSE COMMITTEE ON HIGHER EDUCATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Wallace, Chair; Sells, Vice Chair; Hasegawa, McIntire and Sommers.

Minority Report: Without recommendation. Signed by 2 members: Representatives Anderson, Ranking Minority Member and Buri, Assistant Ranking Minority Member.

Staff: Jennifer Thornton (786-7111).

Background:

GET Program

Washington's Advanced College Tuition Payment Program—known as the Guaranteed Education Tuition (GET) Program—was created in 1998 as Washington's prepaid college tuition program. The GET Program allows purchasers to buy tuition units at current prices for

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use at a later date. These funds are invested by the State Investment Board and the purchaser is guaranteed that one year's worth of units purchased now will be worth one year's worth of public university tuition in the future. One hundred GET units are equal to one year of resident undergraduate tuition and state-mandated fees at the most expensive public university in Washington.

Agriculture Industry

Washington state is one of the dominant agricultural states in the United States. It continues to rank first in the production of a wide variety of agricultural products ranging from the well-known apples, pears, and sweet cherries, to the less commonly known products such as wrinkled seed peas, and peppermint and spearmint oil. The state has a strong comparative advantage, both nationally and internationally, in the production of many agricultural products.

From December 1997 to December 2005, the seasonally adjusted Washington state labor force grew from 3,008,485 to 3,321,257 – a growth rate of 10.4 percent. In contrast, on a seasonally unadjusted basis, the Washington state agricultural labor force is estimated as growing from 86,327 to 88,842 – about 2.7 percent. Over this same time period, the year-by-year average monthly seasonal employment fell from 37,474 workers to 29,842 workers – a drop of 20.4 percent. Average hourly wage rates for those who work exclusively in agriculture have fallen in constant dollar terms over the past five years from \$10.04 in 2001 to \$9.88 in 2005.

Summary of Substitute Bill:

The Field of Dreams program is established to provide college tuition in the form of GET units to students working for agricultural employers. To be eligible for the program, participants must: meet state residency criteria; be 16 through 21 years old; have a family income at or below the state's median family income; and be enrolled in high school, have graduated from high school, or hold a General Equivalency Diploma. To enroll in the Field of Dreams program, the student must register at WorkSource and work for a qualified employer in an agricultural job.

For each 350 hours worked for a qualified employer, a student will earn 10 GET units. Students may earn a maximum of 100 GET units. Students will obtain a certificate verifying units earned from the WorkSource office, and may use them at any accredited institution of higher education. The Employment Security Department, through WorkSource will provide information to potential students on the program, manage student enrollment, and track student hours worked for qualified employers.

The Higher Education Coordinating Board (HECB) will administer GET units earned through the Field of Dreams program. They will purchase and hold GET units for the purpose of Field of Dreams awards. They will distribute award funds, in the form of GET units, to institutions of higher education on behalf of eligible recipients. The HECB will provide annual reports to the Legislature on the use of GET units, enrollment, and graduation information of GET Field of Dreams recipients.

Substitute Bill Compared to Original Bill:

The substitute bill changes the minimum age at which students may enroll in the program, and engage in the work requirement, from 15 to 16. It increases the number of hours a student must work to earn 10 GET units from 250 hours to 350 hours. It changes the program's eligibility criteria from having no income requirements, to including only students with incomes at or below the state's median family income indexed to the same size family.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill provides an incentive for young people to gain exposure to agriculture. Farming is about applying technology to the production of some of the most highly valued products. Agriculture is the number one employer in the state, with over 250,000 workers. It accounts for 15 percent of the state's economy. The idea for the Field of Dreams program came from a senior manager at Employment Security as part of a group convened by the Governor to work on the agricultural labor shortage issue. It is an "out of the box" idea.

There is a critical shortage of farm workers. Sixty thousand seasonal workers are needed during harvest, and only 45,000 are available. Employment Security documented a 20 percent decline in seasonal workers over the past 10 years.

Even farmers who pay more cannot attract new workers. Instead they take workers from other farms. The National Agricultural Statistics Service says that agricultural wages in Washington increased 8.5 percent last year, and that farmers who use the federal guest worker program will have to pay a minimum wage of \$9.77, which is 23 percent higher than the state minimum wage. Washington's agricultural workers are the most productive and best compensated in the world. Some students are starting to come back. For example, Sakuma Brothers Farms has a program that employs 50 teens in the summer. The Field of Dreams program would entice teens during the summer harvest. The goal is to lure 300 new workers to farms each year, with most working about 300 hours during the summer. The program would cost less than \$500,000 per year.

(Opposed) None.

Persons Testifying: (In support) Representative Chandler, prime sponsor; and Dan Fazio, Washington Farm Bureau.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Higher Education. Signed by 28 members: Representatives Sommers, Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Chandler, Cody, Conway, Dunn, Ericks, Fromhold, Grant, Haigh, Hunt, Hunter, Kagi, Kenney, Kessler, McDermott, McDonald, McIntire, Morrell, Pettigrew, Priest, Schual-Berke, Seaquist, P. Sullivan and Walsh.

Minority Report: Do not pass. Signed by 2 members: Representatives Dunshee, Vice Chair and Darneille.

Staff: Debbie Driver (786-7143).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Higher Education:

Second Substitute House Bill 2082 removes the eligibility requirement that students must have a family income at or below the state's median. A report to the Legislature providing demographic and income information of participants is added and language regarding an employer's ability to view participant employee records is removed. To reflect existing Guaranteed Education Program (GET) program policies, Second Substitute House Bill 2082 includes language that ensures GET units will only be used for qualified higher educational expenses and delays the start date for the Higher Education Coordinating Board to distribute GET unit awards for two years (until 2010). Finally, the second substitute bill includes a null and void clause, making the bill null and void unless funded in the budget.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Second Substitute Bill: The bill takes effect 90 days after adjournment of session in which bill is passed. However, the bill is null and void unless funded in the budget.

Staff Summary of Public Testimony:

(In support) There is a shortage of agricultural workers in the state and both in-state and out-of-state efforts to recruit workers are being made by the Employment Security Department, and the Department of Labor and Industries as well as individual farm businesses. Substitute House Bill 2082 was created to provide an incentive for local young people in Washington to work in agricultural industries. In an effort to provide farm jobs to local kids, farmers in communities in Washington rent school buses and provide transportation for local kids to agricultural jobs. Not only would these kids get an added incentive by receiving GET units but the agricultural industry benefits by creating the next generation of in-state agricultural workers.

There are currently about 300 young people working in agriculture right now and the Farm Bureau would like to increase that to 450. Given the stipulations of the bill, if 450 students earn 10 GET units, the cost would be \$315,000 per year. A realistic and responsive program could occur with a \$1,000,000 state investment.

(Opposed) None.

Persons Testifying: Representative Chandler, prime sponsor; and Dan Fazio, Washington Farm Bureau.

Persons Signed In To Testify But Not Testifying: None.